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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

March 24, 1999

BY HAND DELIVERY

EX PARTE

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
Portals II
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Response to Request for Documentary Material,
Application of SBC Communications, Inc. and Ameritech
Corporation for Authority To Transfer Control of Certain
Licenses and Authorizations, CC Docket No. 98-141 –
Notice of Written Ex Parte Presentation

Dear Ms. Salas:

Enclosed herewith for filing on behalf of Ameritech Corporation ("Ameritech") are the narrative responses, with respect to the states in the Ameritech region, to Questions 16(a) and (b) of the Request for Documentary Material, dated January 5, 1999, issued by the Common Carrier Bureau Staff to SBC Telecommunications, Inc. ("SBC"), as modified by the letter dated January 29, 1999 between SBC and the Commission. At the request of SBC, Ameritech is submitting responses to Questions 16(a) and (b) regarding Ameritech's efforts and plans to seek and obtain section 271 authorization in the Ameritech region.

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Ms. Magalie Roman Salas
March 24, 1999
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An original and one copy of this written ex parte presentation are being filed with the Office of the Secretary.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Antoinette Cook Bush". The signature is fluid and cursive, with a long horizontal stroke at the end.

Antoinette Cook Bush
Counsel for Ameritech

Enclosure

cc: Bill Dever, FCC, Common Carrier Bureau
Lynn Starr, Ameritech
Richard Hetke, Ameritech
John Lenahan, Ameritech

16(a) As of January 1, 1999, please describe the status of each state proceeding in which Ameritech is seeking section 271 approval.

Narrative Response to Question 16(a)

Status of State Proceedings in Ameritech's Region:

(1) Illinois On August 26, 1996, the Illinois Commerce Commission initiated an investigation into Ameritech Illinois' compliance with Section 271(c) of the 1996 Act. (Docket 96-0404) On September 27, 1996, Ameritech Illinois filed its Direct Testimony. On November 4 and November 18, 1996, testimony was filed by other parties and Ameritech Illinois, respectively. Supplemental testimony was filed on December 13, 1996 and January 6, 1997. Hearings were held on January 13-17 and 21, 1997. Initial briefs and reply briefs were filed by the parties. The Hearing Examiner issued a Proposed Order on March 7, 1997. On March 11, 1997, Ameritech Illinois filed a Motion to suspend the schedule to provide additional information regarding certain checklist items where the Hearing Examiner had identified deficiencies. Between April 4 and May 2, 1997, Ameritech Illinois, Staff and Intervenors filed supplemental rounds of testimony. A second set of hearings was held on May 6-7, 1997. Supplemental initial briefs and reply briefs were filed by the parties. The Hearing Examiner issued a Revised Second Proposed Order on June 20, 1997, which concluded that checklist deficiencies still existed. Exceptions and replies to exceptions were filed by the parties. A post-exceptions Proposed Order was issued by the Hearing Examiner on August 4, 1997. On September 17, 1997 Ameritech Illinois filed a Second Motion to suspend the schedule to supplement the record with new and updated information relative to issues raised by the Hearing Examiner in the Proposed Order and by the FCC in its August 19, 1997 Order rejecting Ameritech's Section 271 Application for the State of Michigan. On January 21, 1999, the Illinois Commerce Commission issued an order dismissing this matter because of the staleness of the record.

(2) Indiana On October 9, 1996, the Indiana Utility Regulatory Commission (IURC) initiated a docket captioned "Notice of Inquiry Concerning Indiana Bell Telephone Company, Inc. d/b/a Ameritech Indiana's Compliance with Section 271 of the Telecommunications Act of 1996," IURC Cause No. 40641. On October 24, 1996, Ameritech Indiana filed its initial comments in this docket. Comments by the Office of Utility Consumer Counsel and various intervenors were filed on November 11 and 12, 1996. Ameritech Indiana filed its reply comments on December 16, 1996. To date, there have been no hearings or proposed orders issued in this proceeding by the IURC.

(3) Michigan. On June 5, 1996, the Michigan Public Service Commission (MPSC) issued an order initiating Docket No. U-11104, an inquiry into Ameritech's compliance with Section 271(c) of the 1996 Act. On August 28, 1996, the MPSC issued an order establishing procedures for this inquiry. On November 12, 1996, Ameritech filed a Submission of Information in response to Attachment A to the MPSC's August 28 Order, which set forth questions concerning general telecommunications market conditions in Michigan. On December 4, 1996, other parties filed comments in response to Ameritech's submission. On December 16, 1996, Ameritech filed its Submission of Information in response to the MPSC's Attachment B, which set forth questions concerning Ameritech's compliance with the competitive checklist in Section 271(c) of the Act. Interested parties filed comments and responses. Ameritech and all other parties have updated these submissions with additional filings, the entire file from this docket was provided to the FCC in connection with Ameritech Michigan's May 21, 1997 Section 271 Application, CC Docket No. 97-137. On June 10, 1997, the Michigan Commission submitted its comments concerning Ameritech's application. See Comments of the Michigan Public Service Commission, CC Docket No. 97-137 (filed June 10, 1997).¹ The MPSC concluded that Ameritech had implemented ten of the competitive checklist items, but had not fully implemented four of the checklist items -- nondiscriminatory access to operations support systems, transport and switching, and access to 911 and E911 services. See Michigan Section 271 Order, 12 FCC Rcd 20543, para. 32 (1997). On August 19, 1997, the FCC rejected Ameritech's second application for the state of Michigan. See id.

After the rejection of its second Michigan application, Ameritech continued to work closely with the MPSC, the FCC and the Department of Justice to address the issues identified in the evaluations of the MPSC and the Department of Justice, and in the FCC's Memorandum Opinion and Order. In addition to this collaborative process, Ameritech Michigan has worked with the MPSC to address the MPSC's concerns regarding performance measurements. As a result of those discussions, the MPSC initiated a docket addressing performance measurements, calculation methodologies, benchmarks and remedies for failure to perform as required. Ameritech filed a comprehensive performance proposal with the MPSC on November 2, 1998. See Ameritech Michigan Submission on

¹ In addition, the MPSC had filed comments on a prior Section 271 application filed by Ameritech. See Comments of the Michigan Public Service Commission, CC Docket No. 97-1 (filed February 5, 1997). On February 11, 1997, Ameritech asked the FCC to dismiss its application without prejudice. On February 12, 1997, the Common Carrier Bureau granted Ameritech's request and terminated review of Ameritech's initial application for the state of Michigan without reaching the merits.

Performance, Benchmarks and Reporting in compliance with the October 2, 1998 Order in MPSC Case No. U-11654, filed in Case No. U-11830. Comments on Ameritech Michigan's proposal were filed on November 23, 1998, and replies were filed on December 3, 1998. No order has been issued to date.

(4) Ohio. On July 17, 1996, the Ohio Public Utilities Commission initiated a docket captioned "In the Matter of the Commission Investigation into Ameritech Ohio's Entry into In-Region InterLATA Services Under Section 271 of the Telecommunications Act of 1996." Ameritech Ohio filed its initial comments on July 25, 1996. Numerous comments and reply comments and legal memoranda were filed in the docket. Hearings were held on November 6-8, 1996, November 14, 1996, November 18-21, 1996, November 25-26, 1996, December 11, 1996, January 27-29, 1997 and February 18, 1997. There have been no proposed orders or entries in the docket.

(5) Wisconsin. On Wisconsin 17, 1996, the Wisconsin Public Service Commission (PSCW) initiated the following docket: "Matters Relating to Satisfaction of Conditions for Offering InterLATA Service" (Wisconsin Bell, Inc. d/b/a Ameritech Wisconsin) Docket No. 6720-TI-120. Ameritech filed its Statement of Generally Available Terms on October 16, 1996. Comments were filed by the PSCW Staff and interested parties on October 30. Replies were filed on November 15, 1996. The PSCW issued its first report on December 12, 1996 accepting some portions of Ameritech's filing and suggesting changes. On January 10, 1997, Ameritech Wisconsin filed a revised Statement of Generally Available Terms and Conditions. Comments on the revised filing were filed on January 27, 1997. A PSCW Staff memo was filed on February 14, 1997 which resulted in a revised filing by Ameritech Wisconsin on March 3, 1997, with additional revisions through March 26, 1997. Hearings were held on March 31 and April 1, 1997. Oral argument took place on April 2. A second order was issued in writing by the PSCW on May 30, 1997. Ameritech has appealed several issues and a further revised Statement of Generally Available Terms has not been filed.

16(b) For each state in the Ameritech region, please provide the date you expect to receive section 271 authorizations from the Federal Communications Commission.

Narrative Response to Question 16(b)

Expected Dates of Section 271 Authorizations for the Ameritech Region:

Ameritech is unable to identify a specific date for receipt of Section 271 authorizations for any of the five states in which approval is required. However, based upon its long history of pro-actively seeking to open the local exchange market to competitive entry, beginning with its Customers First filing in 1993, and based on the extensive Section 271 filings summarized above, Ameritech believes that all operational, pricing and performance issues identified by the Commission have been resolved. Specifically, as discussed above, after the rejection of its second Michigan application, Ameritech continued to work closely with the MPSC, the FCC and the Department of Justice to address the issues identified in the evaluations of the MPSC and the Department of Justice, and in the FCC's Memorandum Opinion and Order. Based on these discussions, Ameritech filed with the FCC a "Section 271 Status Report" on January 22, 1998. The goal of this ex parte was to facilitate an open dialogue between Ameritech and the Commission, the MPSC, and the Department of Justice to achieve a successful Section 271 application. This January 22 filing provided the foundation for 12 subsequent meetings between Ameritech and the FCC Staff in conjunction with the collaborative process initiated by the Commission. On September 3, 1998, Ameritech filed a supplemental ex parte to update the Commission regarding the progress that had been made since January 1998.

At the current time, Ameritech is seeking clarification from the Commission regarding its assumptions in connection with shared transport. Specifically, on March 4, 1999 Ameritech discussed with Commission Staff a proposed shared transport offering in Ohio. (See Ex Parte Statement in CC Docket No. 96-98 dated March 5, 1999.)²

² On December 15, 1998, in connection with a cost study required by the Ohio Commission in Case No. 96-922-TP-UNC, Ameritech Ohio filed with the Public Utilities Commission of Ohio a functional description of shared transport as described by the FCC's Third Order on Reconsideration in Docket 97-98 (FCC 97-295). This functional description included assumptions regarding traffic that was not between two Ameritech switches, transiting terms and conditions, implementation of a concept Ameritech has called "originating carrier pays" (See Ameritech ex parte filed March 2, 1998 in CC Docket No. 98-96 and Ameritech Comments dated December 15, 1998 in Docket No. 98-121) and a factor-based approach for terminating access charges.

In addition, although Ameritech believes it understands the *prima facie* requirements for a successful 271 application, it does not believe that the Commission's standards for approval have been adequately defined. As a result, Ameritech's current plan is first to understand clearly the required standard for approval. After the approval standard is clarified, Ameritech will ensure that it meets such standard, quickly supplement the state dockets summarized above, and proceed pursuant to the Commission's Section 271 procedures. Once the standards for approval are clearly defined, Ameritech believes that it will successfully obtain Section 271 authorizations for all five states within 6 to 18 months.